KOA Kampgrounds of America, Inc.

The Beginning

The 1960's brought prosperity to Americans. They had more leisure time and more money. Money to travel. Money to buy recreational vehicles. Money and time to be on the road with their families. Unlike ever before, campers across the nation were on the move.

They headed for America's landmarks, national parks and, in 1962, the World's Fair in Seattle. But traveling wasn't as easy as it might have been. Campgrounds were scarce. Those that did exist were inadequate for this new camping breed and their newly purchased recreational vehicles.

Recognizing a need to accommodate these travelers and their RV's, a Billings, Montana businessman and his associates constructed a campground in 1962 on the banks of the Yellowstone River. It wasn't far from where Lewis and Clark made their historic trek a century and a half earlier.

The venture was a success. With information gathered from traveling campers, it was apparent that there was a need for a national system of campgrounds with certain basic facilities for recreational vehicles. It was bound to come, and in true spirit, it came from the West. Kampgrounds of America, Inc. was launched in Billings, Montana in 1963.

The KOA system has grown rapidly in its more than 30 years. Nearly 600 campgrounds span the United States and Canada. Each is different because each is independently owned by franchisees of Kampgrounds of America. Some campgrounds have as few as 50 campsites, others have nearly a thousand. Some are located adjacent to major highways for overnight business while others are situated far back in the countryside and offer resort activities such as boating, hiking and horseback riding. Wherever a family travels, it is likely that a friendly KOA host will be there to welcome them with free hot showers, clean restrooms, laundry facilities, a swimming pool, a playground and a convenience store.

Baseball, apple pie and camping

Classic American favorites. The popularity of camping has skyrocketed in the last two decades. Today it is America's third most popular recreational activity. It has clearly become a national pastime. There are:

...more than 60 million Americans camping.
...more than 6 million Americans who own recreational vehicles.
...hundreds of thousands of new RVs being sold each year.
...nearly a million tents sold each year.
...millions of families camping with rented or borrowed RVs and tents.
...more campers from overseas that visit the U.S. and Canada than ever before.

The popularity of family camping is here to stay.

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Camping fits America's budget

Americans are travelers. They're anxious to get out of smoggy, crowded cities and eager to spend time with their families in the outdoors. But, families today can't afford to pay the high rates for hotels and motels or eating out. They are looking for low-cost travel that fits their budget. They're looking for the value KOA Kampgrounds offer.

Franchising vs. Independent

Franchising has become one of the most popular forms of "start up" for new businesses. Why? Because franchising provides a proven formula to improve chances of success. With franchising, the person is buying a known quality. The franchisor has already proven that the public will buy the product or service. The franchise business has already been tried, tested and fine tuned to eliminate problems and mistakes. The success rate of businesses owned by franchisees is significantly better than for independently owned small businesses.

Consider the possibility of becoming a KOA franchisee

Ownership of a KOA Kampground offers you:
...the challenge and opportunity of owning your own business.
...a change in lifestyle.
...a chance to be close to the outdoors.
...a long-term, land based investment.
...an opportunity to meet new people.
...the satisfaction of working with your family.

It is safe to say a KOA franchise offers you the freedom of independent ownership with fewer risks than most new businesses. We say this because from your first day of ownership, you have KOA's size, experience and leadership in the camping business on your side. You have access to a full staff of campground experts at KOA's corporate headquarters in Billings, Montana. We are professionals with decades of experience in site selection, site design, construction, zoning, financing, promotion, merchandising and accounting. Our assistance, advice and guidance is yours for the asking as a KOA franchisee.

As a KOA franchisee you also have access to a host of other advantages that will give you a running start in the campground business. Some of the more important are:
...listing and directional map of your campground in the KOA Directory, Road Atlas and Camping Guide.
...campground design and layout.
...KOA-U Development, Orientation and Management Schools.
...campground development and operations manuals.
...exclusive franchise territory.
...national advertising.
...discount supply catalogs.
...reservations and referral system.
...annual international convention.
...Kampground Owner's Association.
...insurance coverage assistance.

As a new campground owner you will find that KOA has the "answer people" and programs to assist you in every phase of the business.

What's in the name?

KOA's logo is internationally known because of the millions of dollars spent advertising the KOA system over the last 30+ years. The moment a franchisee erects the familiar red and black KOA logo, there is an edge over the competitor. With the KOA name and logo there is immediate "camper awareness" to your campground. Sixty million North American campers know the familiar KOA logo and depend on it for clean, friendly and fun camping.

The KOA name is the standard of dependability in the campground business. KOA has a total program of exciting, effective advertising and publicity: road signs, billboards, newspaper and magazine ads, the KOA Directory, participation in travel shows, rallies, TV and radio spots, travel videos, full color brochures, international caravans, publicity releases, public programs and advertising specialties. In short, KOA has the "muscle" to help put campers into KOA campgrounds.

Joining KOA's family of campground owners offers many advantages. Affiliation means that you are immediately part of an international system that gives you exposure to campers all over the world.

...KOA expands your local advertising into an international program.
...as a KOA, you can usually command higher rates.
...affiliation with KOA gives you the advantage of active national, state and provincial associations.
...KOA offers a system-wide reservation and referral system.
...KOA's management and development schools offer 30+ years of campground experience.

There are three ways you can fly the KOA flag:

1) Build a New Campground

KOA experienced tremendous growth in the 1960's and 1970's, opening as many as 150 campgrounds in a single year. In those years, it was possible to obtain a KOA franchise and build a campground at a cost of $150,000 to $250,000. Financing was readily available from banks backed by SBA with long term schedules and low interest rates.

The first half of the 1980's were a different story. While camping rates remained very competitive with other accommodations for travelers, construction costs tripled and in some cases quadrupled. Construction costs alone ran from $600,000 to $1,000,000 to develop a 100 site campground. Securing financing was difficult and when available, it was short term and expensive. There were very few locations in the country that could support the cost of constructing a new campground under those conditions.

When problems such as these develop it becomes necessary to re-evaluate the marketplace and develop new ideas and approaches.

KOA has done just that! We have known for a long time that there are many potential campground locations across the country that could become good income producers for the right people. People that have the knowledge, ability and willingness to build and operate a campground themselves.

If you like working for yourself, meeting a great segment of our population - campers, and would enjoy the outdoor lifestyle that KOA owner/operators have, this new concept of campground construction and operation will interest you.

The fee for a new franchise is $20,000 payable in two parts: $10,000 upon application and $10,000 on or before the scheduled construction date.

2) Purchase an operating KOA Kampground

The second way to become affiliated with KOA is to buy an operating KOA Kampground. KOA owners, like any other business people, may decide for a variety of reasons to sell their business. Many franchisees approach the KOA Licensing Department for assistance in selling their campgrounds. The Licensing Department can usually offer buyers a choice of campgrounds in many locations and price ranges across North America. Your cash investment can range from $50,000 on the low end to $350,000 on the high end depending on the price of the campground you buy. Sellers generally look at a down payment of 20-30% of the purchase price and will commonly carry the balance at favorable terms.

As a campground buyer, you will work with your KOA licensing representative over the phone until you find a campground in your geographical area of interest and investment range. KOA will provide you detailed information on campgrounds until you find one you like. Your representative will then arrange an appointment for you to visit the campground and to meet the owners.

By purchasing an existing campground you have the opportunity to see the campground and walk the property; you can go over the campground records with the owners; and you can take over as soon as you are able to close the sale, usually in 90-120 days. You pay no franchise fee if you buy an existing campground through the KOA Licensing Department.

3) Convert an independent campground

The third way to become affiliated with KOA is by converting an independent campground to the KOA system. If you already own a campground or are planning to buy one in a location that does not infringe upon the protected territory of an existing KOA, you may want to consider converting it to a KOA. When your franchise application is approved, a representative from KOA will inspect the campground and outline the steps necessary to meet KOA requirements. Depending on the quality of your park and the similarities of services you offer to that of KOA, your conversion cost could range from a low of the franchise fee to a high of building a new campground.

The basic requirements your campground must meet are the standard services and amenities that all KOA Kampgrounds offer to the camping public. Your campground facilities must include

men and women's restrooms and showers, a laundry, a game room, a registration area and a convenience store. Your campground must also offer water and electrical service to the campsites, a sanitary disposal station and playground equipment for children.

Your campground must meet KOA standards before you can hold yourself out as KOA and before it is listed in the KOA annual Directory, Road Atlas and Camping Guide.

The franchise fee for conversion is $15,000 payable in two parts: $7,500 upon application and $7,500 upon final approval of the application.

Education

All new franchisees must attend a KOA-U Orientation or Development School at KOA corporate headquarters in Billings, Montana to learn how KOA campgrounds operate and to meet the people behind the services that KOA provides. If you decide to build a new campground, you will attend Development School to learn how to build a KOA. If you convert a campground or buy one through the KOA Licensing Department, you will attend KOA-U Orientation School to learn how to run a KOA. There is no charge to you as a new KOA franchisee for either of these schools.

KOA also conducts continuing education programs such as management schools, periodic regional meetings and the annual KOA convention. We also have teams of consultants who will come to your campground to work with you to help solve problems and answer questions.

Other financial obligations

In addition to the initial franchise cost, other fees due KOA, Inc. are: 1) Royalties: the money received by you as income for site rentals is subject to an 8% royalty fee. There is no royalty payment due KOA, Inc. for store sales or any other campground income. 2) Advertising fund: there is an assessment of 2% of site rental income for special advertising programs. These programs are developed by KOA, Inc. and an accounting of expenditures is made to all franchisees. 3) Administrative fee: on or before August 31st of each year, franchisees are required to pay KOA, Inc. an annual administrative fee of $300 which goes toward KOA support programs.

For further information, contact your KOA Licensing Representative at:
1-800-548-7239